

Classification Hearing



Mayor Joseph A. Curtatone
November, 2014

Assessors Expand Outreach & Services

- Values released six weeks early
- Early appeal period added
- Property tax update sent to every owner
- Mobile and late office hours
- Updated webpages
- Expanded promotion of all information



FY15 Assessed Values Released Early
Early Appeals Being Accepted
— Click for more info —



Look Up FY15 Values:
Assessor's Database



FY15 Property Tax
Update (Newsletter)



Frequently Asked
Questions



Revaluation &
Abatement Information



Residential Exemption



Exemptions for Seniors
& Others




Motor Vehicle
& Trailer Excise Tax



Assessor's Map

www.somervillema.gov/assessing



As Somerville grows more desirable, it's
a time to take pride in our community.
It's also a signal that we must remain
vigilant in our pursuit of policies that
will both make Somerville a great place
to live, work, play
and raise a family—and that will keep
our tax bills manageable.

Assessment Key Updates

New Tax Relief for our Active Duty Guardsmen & Reservists

- **Interest-free, six-month tax deferrals,**
 - **up to 100% abatements,**
 - **deferral of excise**
- Adopting these local options Chapter 59, s. 5; Chp. 59, s. 5L, Chp. 60A, s. 9 will help reservists subject to an unexpected, sudden call to duty out of state that could create financial hardship.

New 35% Residential Exemption

- The largest residential exemption in the state

\$170 in taxes avoided for the average two-family owner.

No override in Somerville

We are not even going to the Levy Limit

- **\$842k** total excess levy capacity puts us \$842k under the limit:
 - **\$.5M** from additional Partners building permit revenue
 - **\$342k** from additional local receipts

**\$33 in taxes
avoided for the
average two-
family owner**

Since 2000,
220 Mass. Communities have requested
1,423 overrides

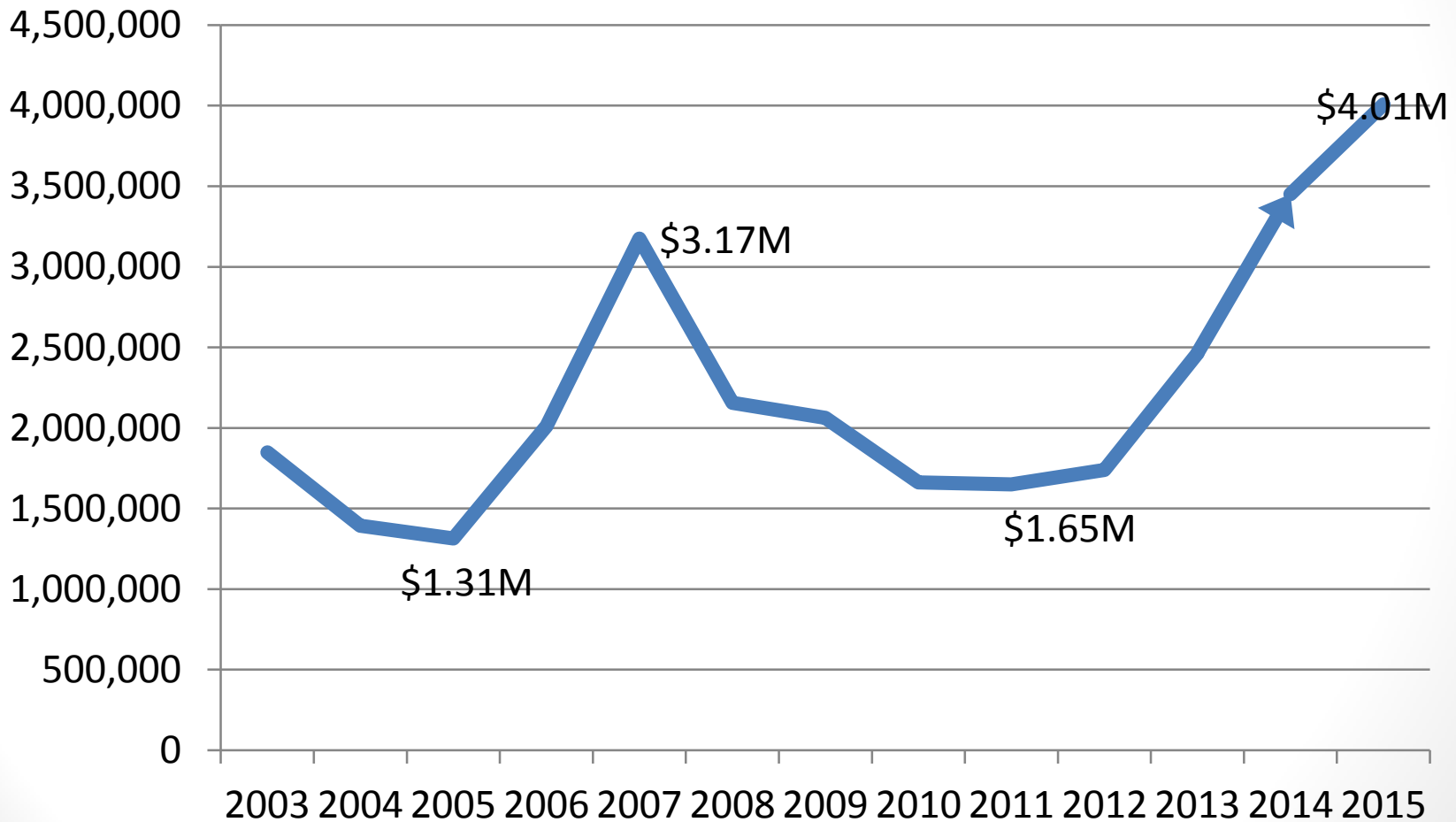


Somerville has
NEVER sought an
override

As of June 2014

Most New Tax Levy Growth in a Decade

Annual New Growth – FY2003 through FY2014



Commercial Growth Producing New Tax Revenues

- **56%** (\$2.2M+) of new tax levy growth is from commercial sources
- **37%** of new commercial tax levy growth (\$830k) is from Assembly Row

\$60 in taxes avoided due to Assembly Row tax levy growth.

Average 2-Family Tax Avoidance: \$263

Original Tax Increase

\$462

—

\$170

\$60

\$33

=

Adjusted Tax Increase

\$199

Without the 35% residential exemption, Assembly Row growth, and reduction from the levy limit, the average two-family homeowner would have had an increase of more than twice the expected amount.

\$6M Increase in Stabilization Funds

Fund	Increase
Capital Stabilization	\$1.25M
Parks Stabilization	\$750k
Street Reconstruction	\$1.5M
Facility Construction & Renovation	\$2M
Rainy Day Fund	\$500k

Allowing us
to invest in
our city &
Reducing our
debt service
costs

Highest Bond Rating Ever

S&P

A+

2004



AA+

2014

Moody's

A2

2004



Aa2

2014

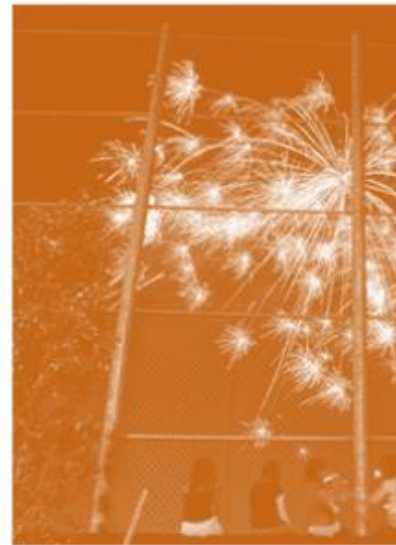
Ratings guarantee savings for Somerville



Investing



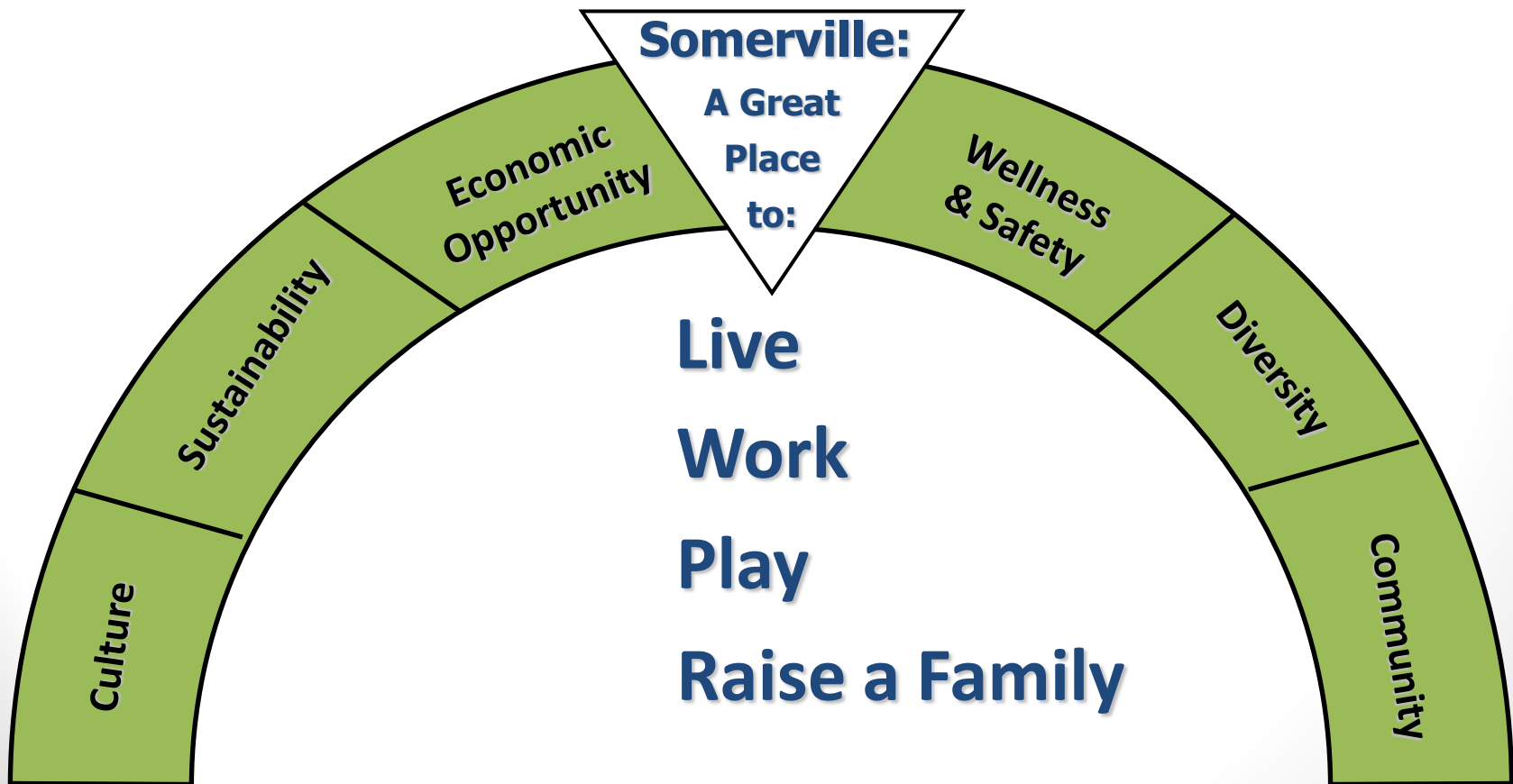
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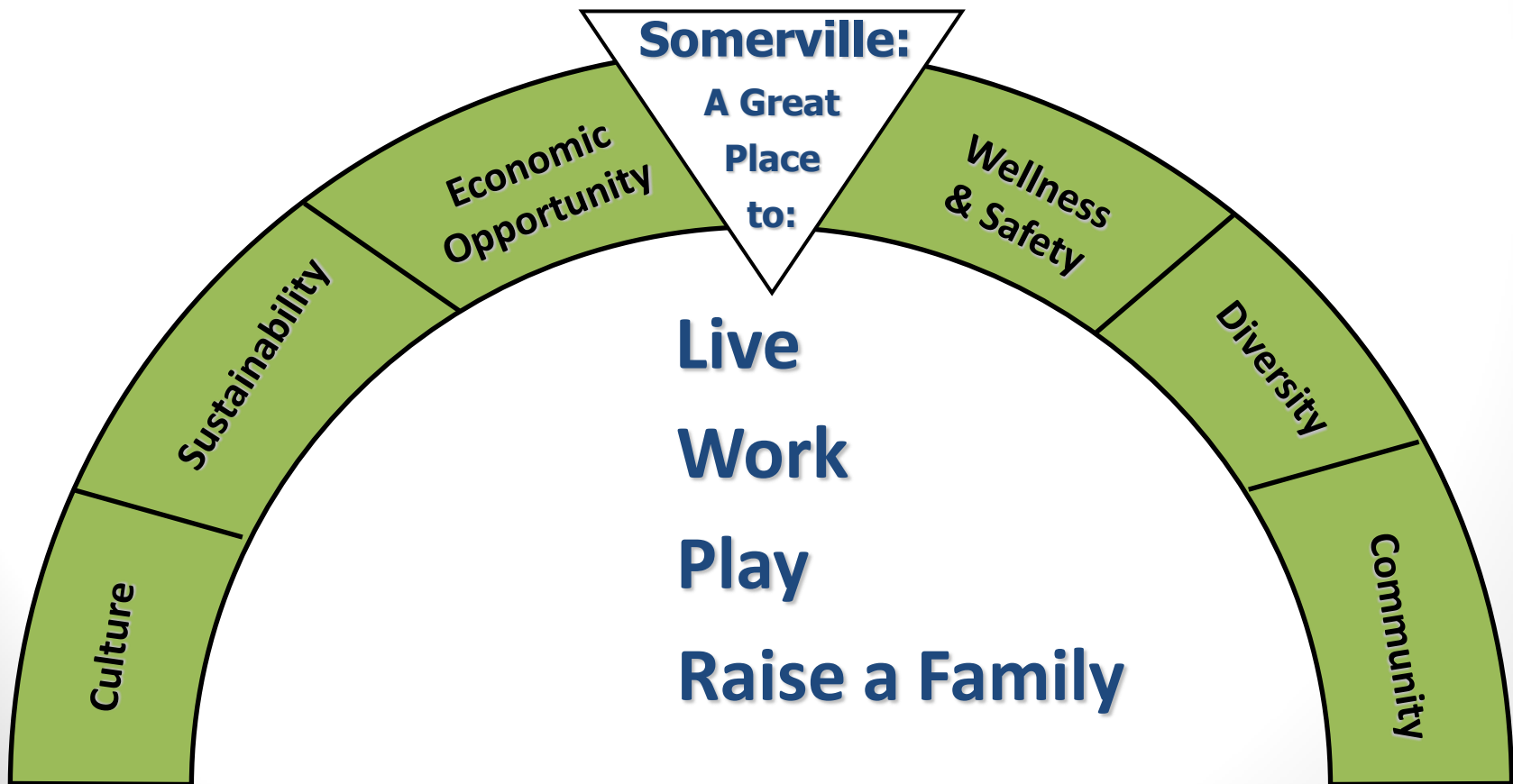
Somerville



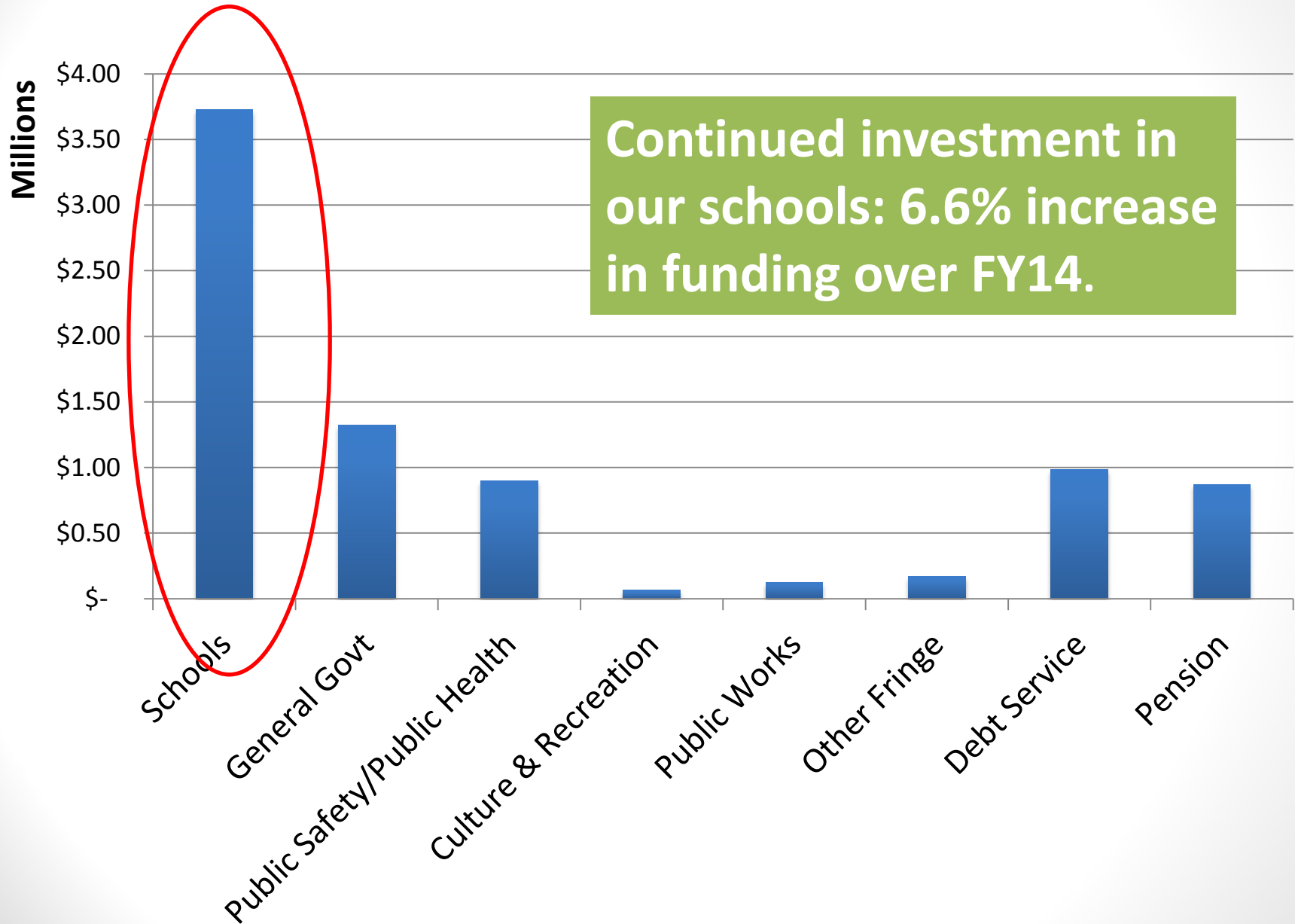
A Budget Guided by Our Core Principles and the Community's Orienting Values



A Budget Unanimously Approved by the Board of Aldermen

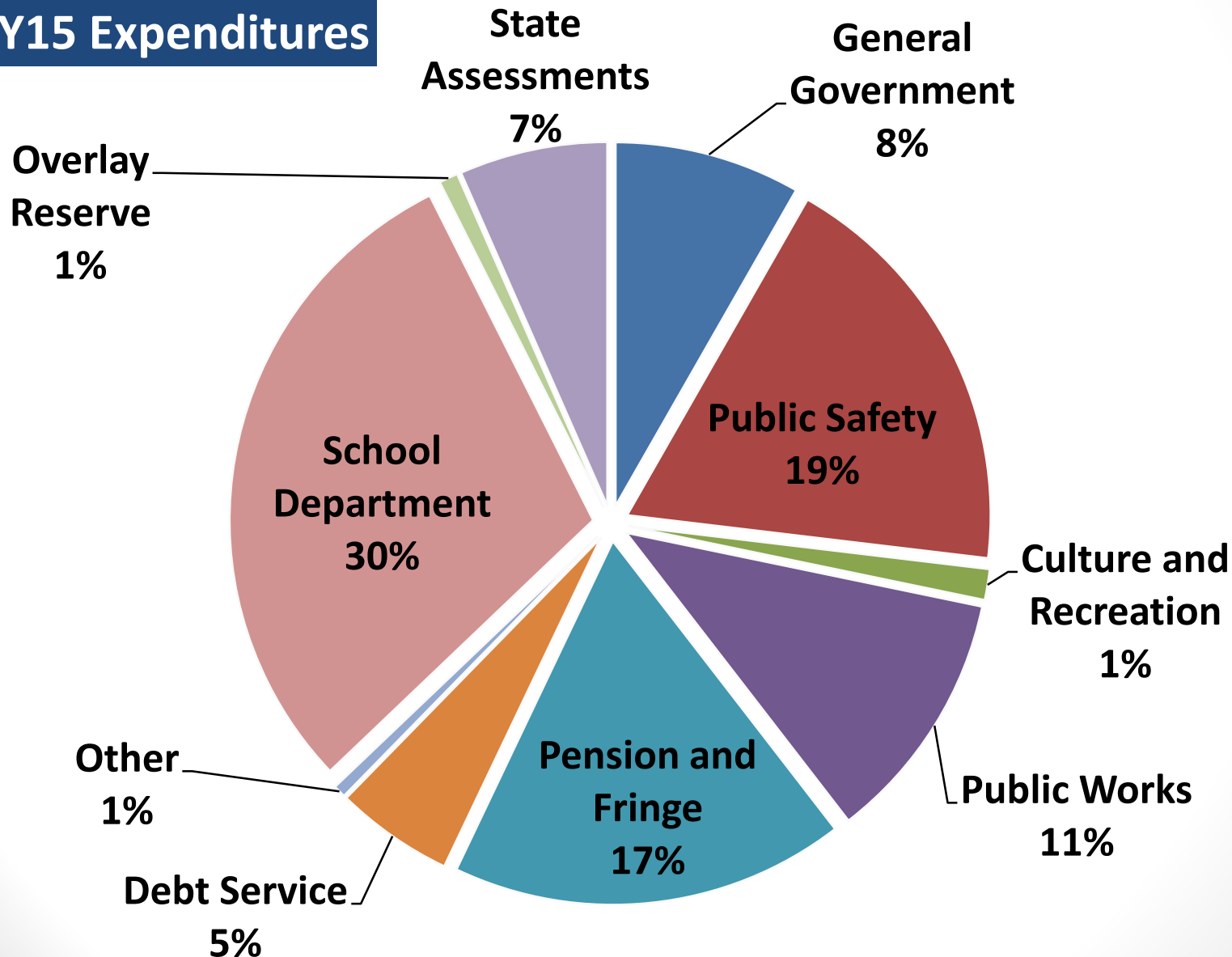


Values Driven Budget



General Fund Expenditures

FY15 Expenditures





Affordability

in

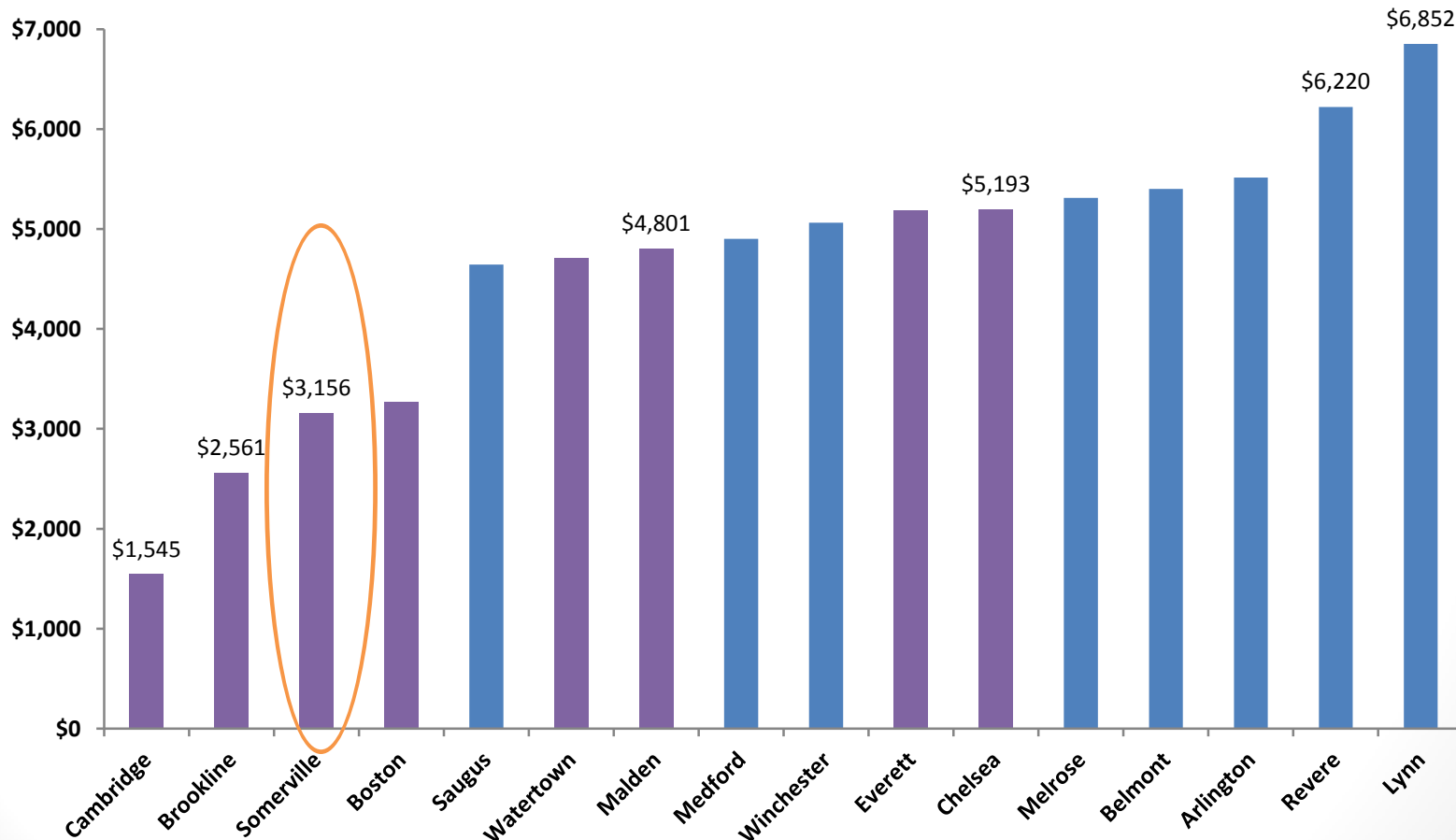
Somerville

We're Keeping Residential Taxes Lower

FY14 tax with exemption on \$400k home

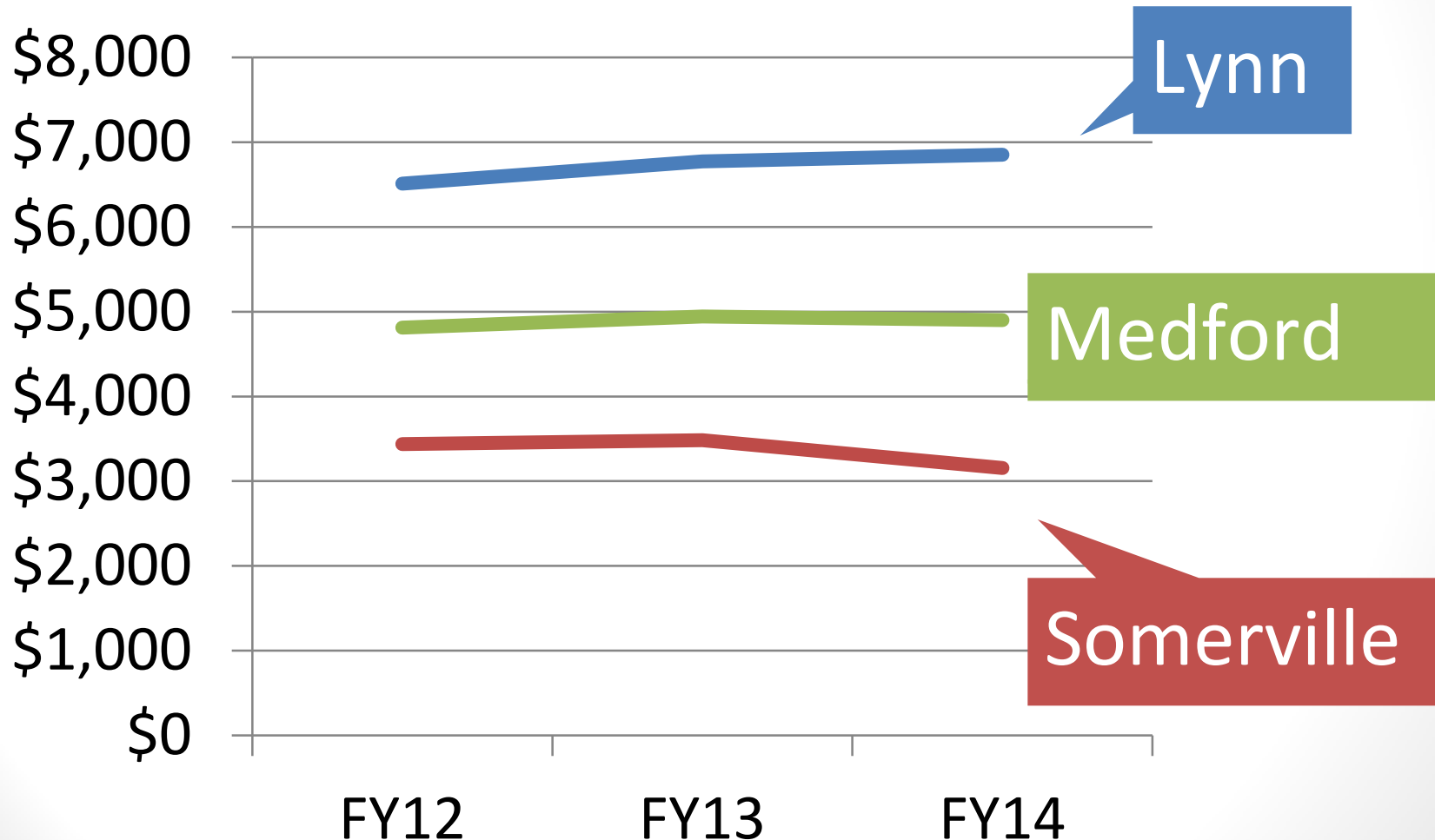
Residential exemption

No residential exemption



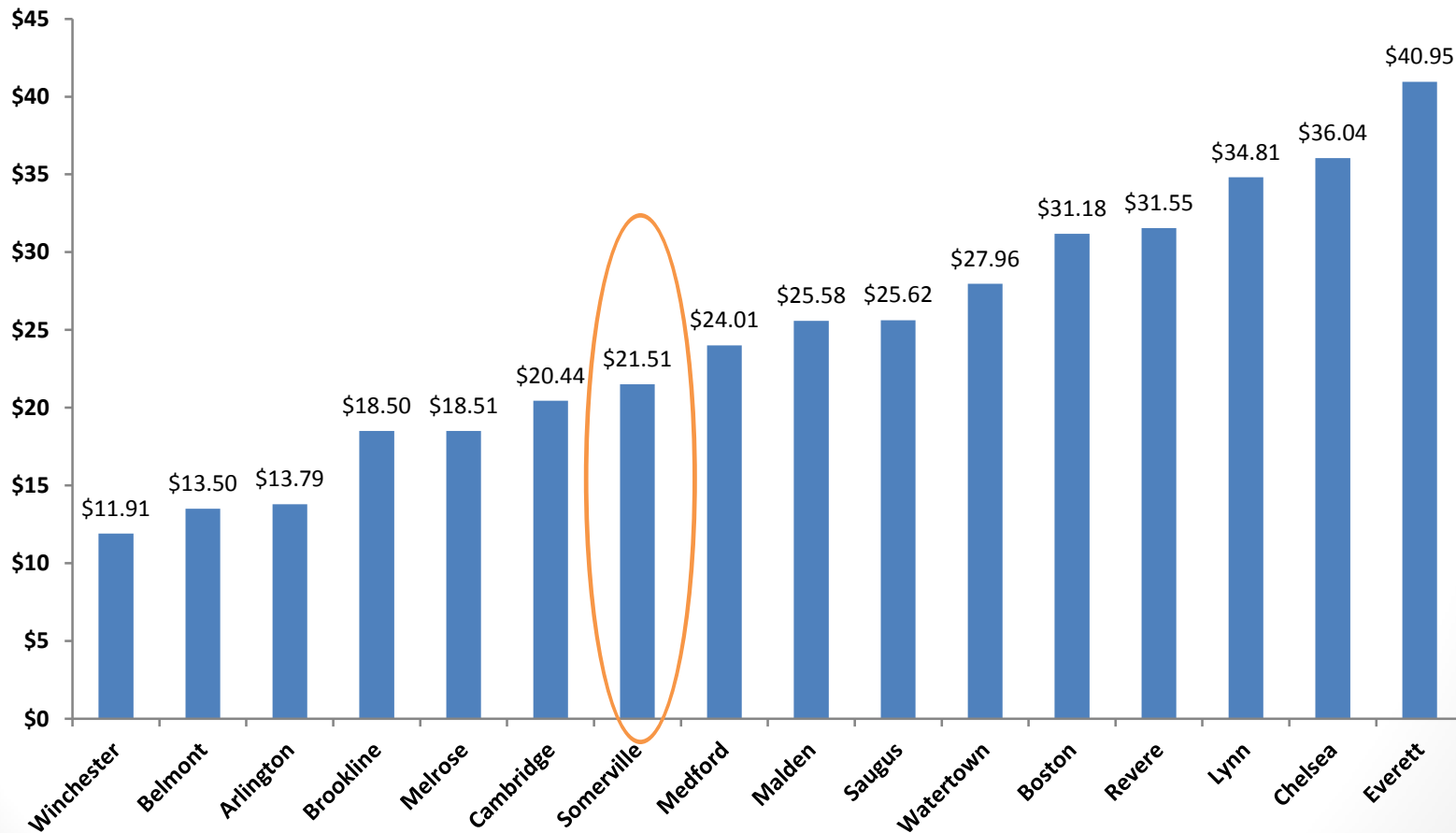
The Somerville fiscal year 2014 residential exemption was **\$1,907.53**

Tax on \$400k Property with Residential Exemption

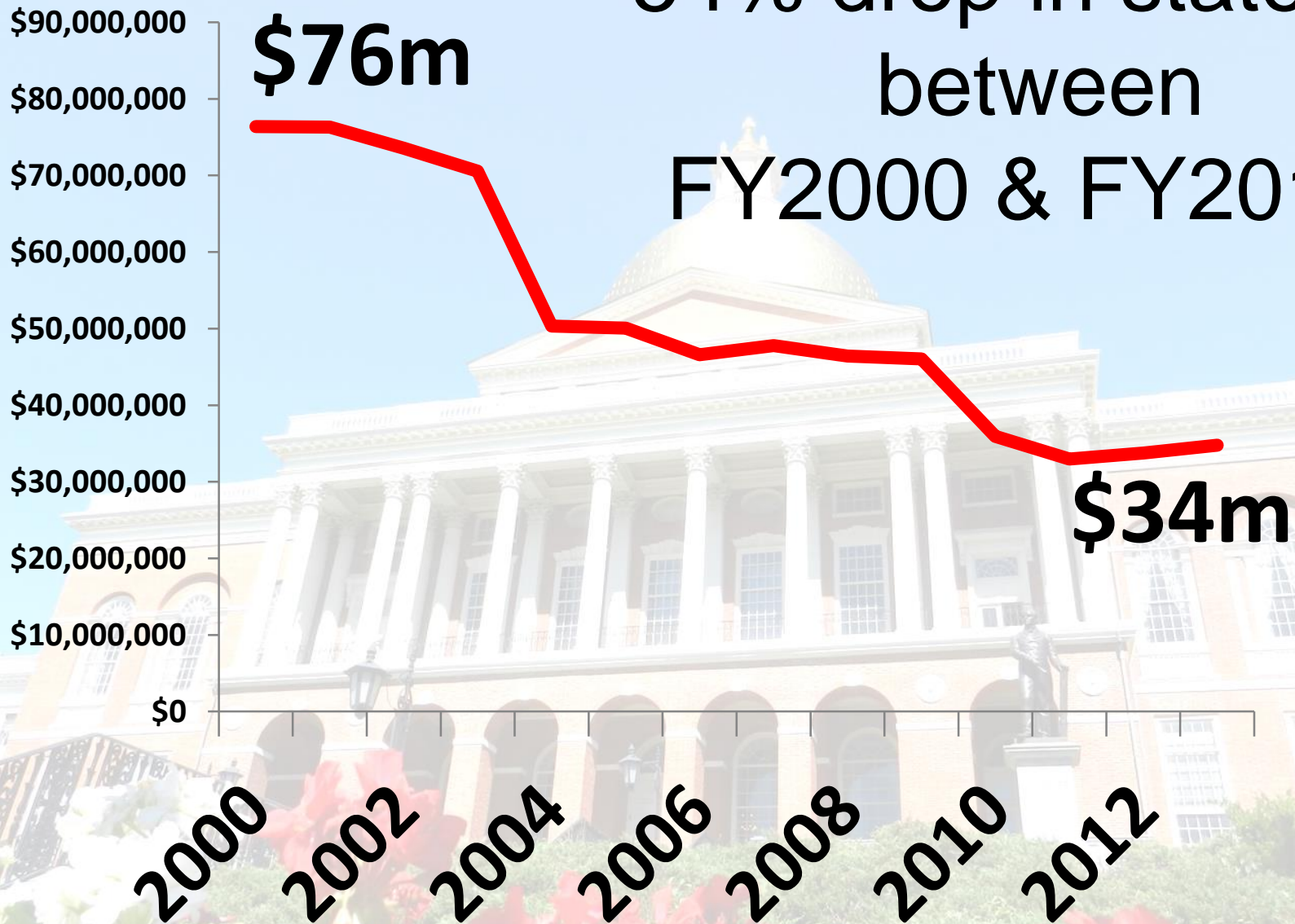


We're Keeping the Commercial Tax Rate Lower

FY14 commercial tax rate



54% drop in state aid
between
FY2000 & FY2013*



*adjusting for inflation

\$41.6 M

in State Aid cut since 2000*

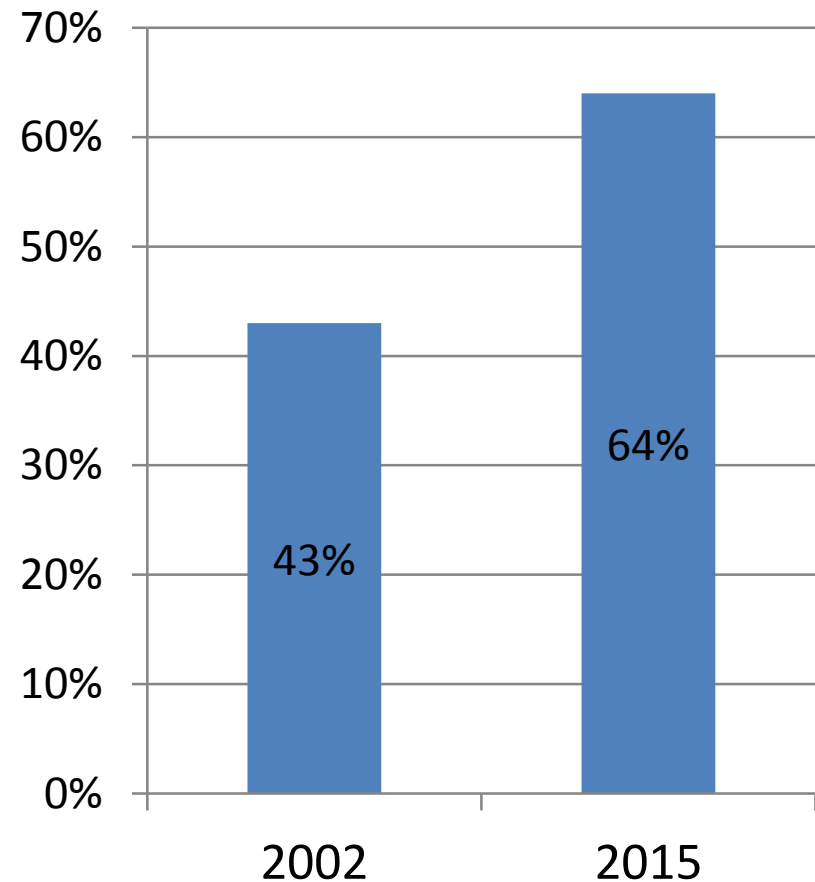


Taxpayers Pick up the Burden



* adjusting for inflation

**Percent of Budget Covered
by Tax Revenue**



Some of the Lowest Spending Per Capita

FY13 general fund spending per capita



Spending per Capita

(General Fund FY13)



Somerville: \$2,383



Boston: \$3,574



Cambridge: \$3,795

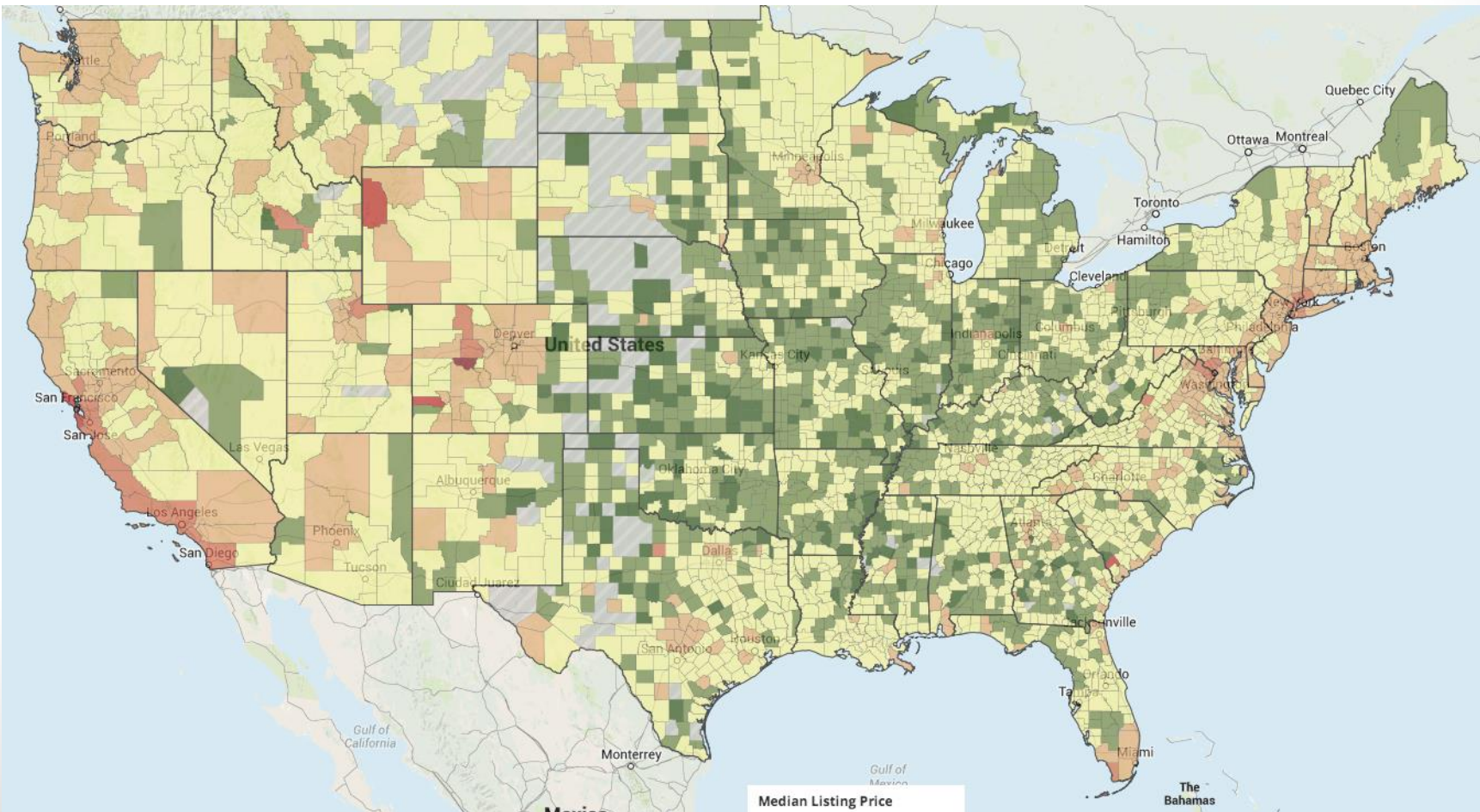
Market Pressures

Supply vs. demand

435,000 homes needed by 2040

9,000 needed in Somerville

Greater Boston: One of Most Expensive Housing Markets in the U.S.



Boston: Most Gentrifying Large City in the Nation, 2000-2007

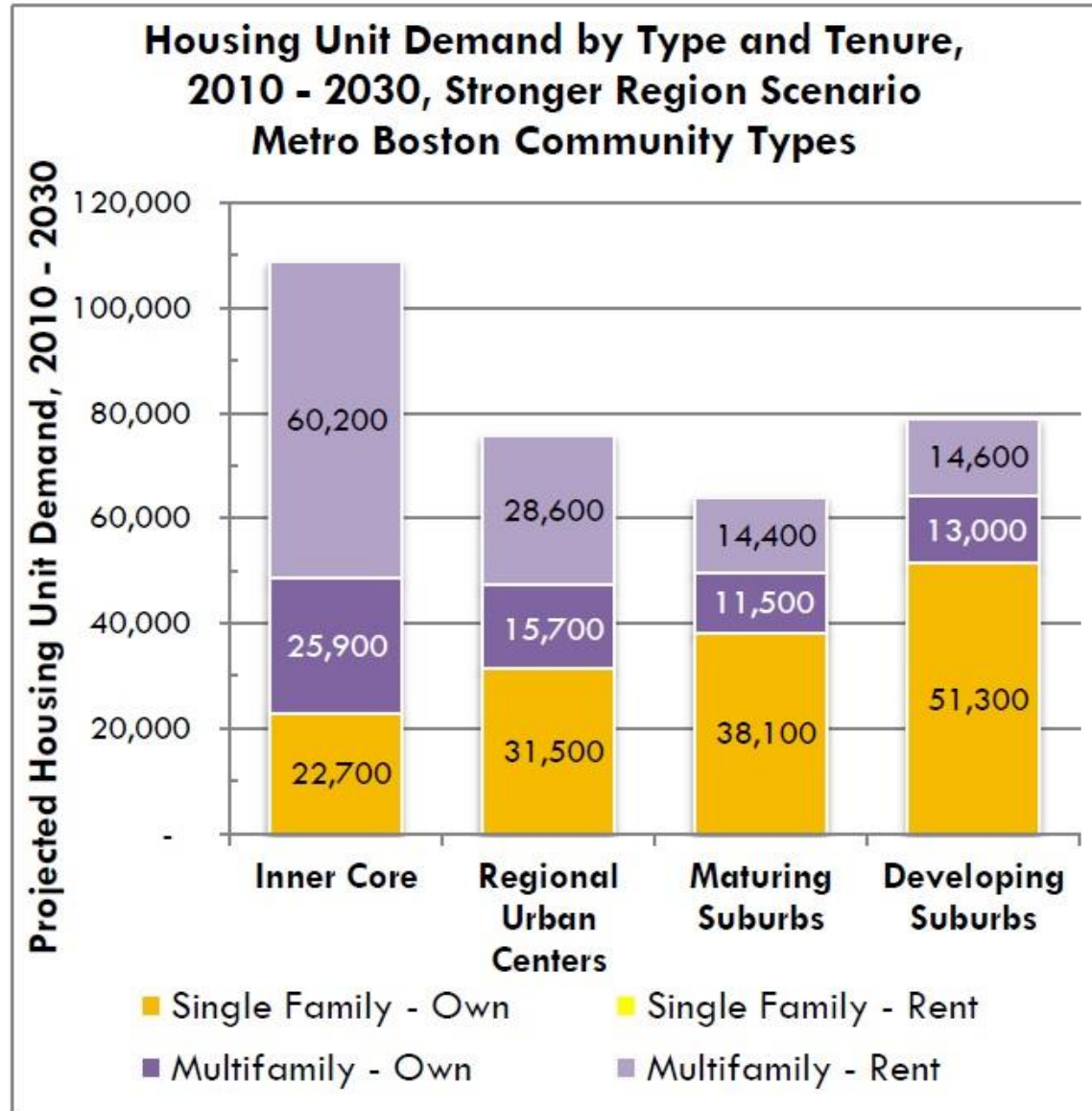
Gentrifying Cities

Metropolitan Statistical Area (MSA)	Proportion of low-price census tracts in the city (those with below- median MSA home value), percent	Proportion of the city's low- price tracts that gentrified, percent	Proportion of the city's total number of tracts that gentrified, percent
Boston	43	61	26
Seattle	17	55	9
New York City	40	46	18
San Francisco	31	42	13
Washington, DC	55	35	19
Atlanta	59	31	18
Chicago	57	28	16
Portland	48	28	13
Tampa	73	24	18
Los Angeles	51	23	12
Denver	52	23	12

“In Boston,
the gentrifying
neighborhoods
represented about a
fourth of the entire
city's population.
In other cities,
the proportion
was much smaller.”

-Federal Reserve
Bank of Cleveland

MAPC Report: 435,000 Homes by 2040



Sustainable Neighborhoods



Building a Comprehensive Plan
For Affordable Housing in the
City of Somerville

Somerville is thriving
because we invest, for
the long-haul, in our
orienting values

**Make Somerville
a Great Place to
Live,
Work,
Play and
Raise a Family**

